



## Contents

While the pictures on the pages of this Annual Report describe our operations, the cover photograph summarizes the whole story. We are publishers and printers; our business is communications. Our specific objective is to reach readers. All of our efforts are aimed at this objective. When people stop to read and think, when they are informed about the world they live in, when they can learn of ways to make their own and other lives better, we as communicators have been successful.

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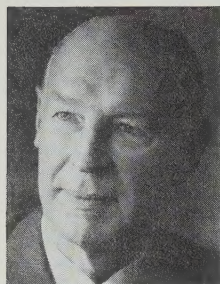
Southam Press Limited was incorporated under the Companies Act of Canada by Letters Patent dated December 7, 1927, and commenced business on January 1, 1928. Since May 1945 the shares of the company have been listed on the Montreal, Toronto and Vancouver stock exchanges. Stock Transfer Agent, The Royal Trust Company; Stock Registrar, The Bankers' Trust Company.

## The year's results at a glance

Consolidated, with comparative figures for 1968  
(Dollars in thousands, except per share amounts)

|                                                            | 1969      | 1968      |
|------------------------------------------------------------|-----------|-----------|
| <i>Income</i>                                              |           |           |
| Gross revenues . . . . .                                   | \$107,620 | \$ 81,105 |
| Gross expenses (excluding depreciation) . . . . .          | 89,658    | 65,293    |
| Depreciation . . . . .                                     | 2,846     | 2,151     |
| Income taxes . . . . .                                     | 6,595     | 6,141     |
| Income before capital loss . . . . .                       | 8,521     | 7,520     |
| per share . . . . .                                        | 2.75      | 2.50      |
| Capital loss . . . . .                                     | 451       | —         |
| Net income . . . . .                                       | 8,070     | 7,520     |
| Dividends paid . . . . .                                   | 4,185     | 4,050     |
| per share . . . . .                                        | 1.35      | 1.35      |
| <i>Balance Sheet</i>                                       |           |           |
| Working capital . . . . .                                  | 4,626     | 5,183     |
| Investments . . . . .                                      | 13,752    | 12,979    |
| Fixed assets (net) . . . . .                               | 22,517    | 18,209    |
| Other assets . . . . .                                     | 370       | 183       |
| Long term debt . . . . .                                   | 4,327     | 2,648     |
| Deferred income taxes . . . . .                            | 1,013     | 1,373     |
| Shareholders' equity . . . . .                             | 35,925    | 32,533    |
| <i>Statistics</i>                                          |           |           |
| Advertising lineage — newspapers (1,000's) . . . . .       | 185,444   | 142,136   |
| Advertising pages — magazines (1,000's) . . . . .          | 17        | 17        |
| Daily newspaper circulation — December (1,000's) . . . . . | 742       | 563       |
| Total number of employees . . . . .                        | 5,152     | 4,032     |
| Total salaries, wages and employee benefits . . . . .      | \$ 43,758 | \$ 31,755 |
| Price range per common share . . . . .                     | \$ 67½-55 | \$ 64-38¾ |





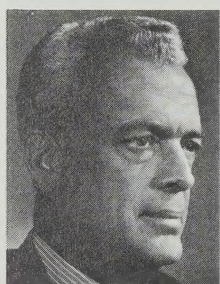
**Philip S. Fisher, SM, CBE.** Elected director 1928.

Born Montreal, 1896. BA (McGill). Joined the company in 1924 as assistant to the president; president 1945; chairman 1961. Past president, Canadian Daily Newspaper Publishers Association; past chairman, executive council, Canadian Chamber of Commerce; honorary president, The Canadian Welfare Council.



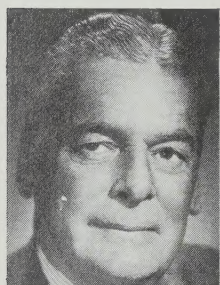
**Gordon N. Fisher.** Elected director 1967.

Born Montreal, 1928. B.Eng. (McGill). Joined head office of Southam Press Limited as executive assistant 1958; assistant to the president 1962; vice-president 1965; vice-president and managing director 1969. Trustee, Hospital for Sick Children; governor, Trinity College School; Canadian Welfare Council; director, Canada Studies Foundation, Canadian Daily Newspaper Publishers Association.



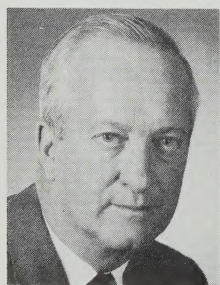
**R. W. Southam.** Elected director 1954.

Born Ottawa, 1914. BA (Queen's), MSc (Columbia). Joined The Ottawa Citizen 1937; managing editor 1946; assistant publisher 1950; publisher 1953. Past president, Canadian Daily Newspaper Publishers Association. Vice-chairman, board of trustees, Queen's University; member of executive committee of corporation, Bishop's University.



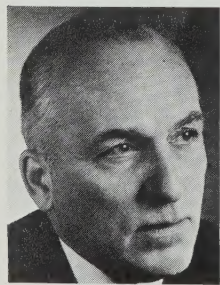
**Gordon T. Southam.** Elected director 1955.

Born Ottawa, 1910. Joined The Ottawa Citizen 1930; The Vancouver Province 1936. President, Pioneer Envelopes Ltd. 1955; director, MacMillan Bloedel Limited and British Northwestern Insurance Company. President, G. F. Strong Rehabilitation Centre. Governor, Trinity College School.



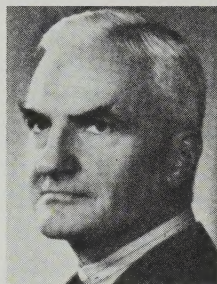
**George L. Crawford, QC.** Elected director 1959.

Born Edmonton, 1915. Called to Alberta Bar in 1939. Member, Central Alberta Advisory Board, Canada Trust Huron & Erie. Director and vice-president, Calgary Exhibition and Stampede. Director of a number of Canadian companies.



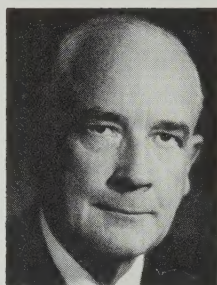
**W. C. Riley, OBE, LLD.** Elected director 1960.

Born Winnipeg, 1907. Chairman, Canadian Indemnity Company; United Canadian Shares Limited. Trustee, Winnipeg General Hospital. Director of a number of Canadian companies.



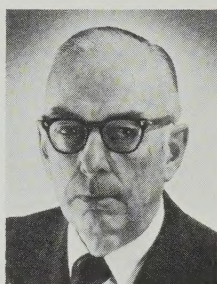
**St. Clair Balfour.** Elected director 1953.

Born Hamilton, 1910. BA (Toronto). Joined The Hamilton Spectator 1931; publisher 1951; transferred to head office as vice-president and managing director 1954; president 1961. Honorary president, The Canadian Press; director, Canadian Daily Newspaper Publishers Association, Canadian Heart Foundation; trustee ANPA Foundation.



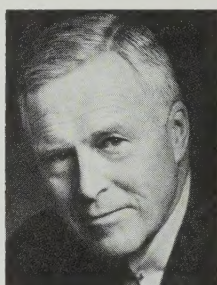
**W. W. Southam, P.Eng.** Elected director 1950.

Born Hamilton, 1908. BSc (McGill). Joined The Vancouver Province 1930; executive assistant, head office 1945; vice-president 1954. Member, Engineering Institute of Canada; chairman, membership tours committee, Toronto Board of Trade; vice-president, Toronto East General and Orthopaedic Hospital Research Foundation.



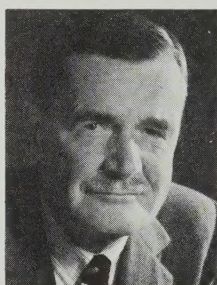
**Fred S. Auger.** Elected director 1954.

Born Calgary, 1907. Joined the Winnipeg Tribune as publisher in 1951. Previously director of advertising, Procter & Gamble. Appointed publisher of The Vancouver Province 1959. Vice-president, Canadian Daily Newspaper Publishers Association. Director, Vancouver Aquarium; B.C. Waterfowl Society; The Canadian Press; chairman, Ducks Unlimited (Canada).



**B. B. Osler, QC.** Elected director 1956.

Born Ottawa, 1904. Graduate RMC of Canada. Partner, law firm, Blake, Cassels & Graydon since 1933. Director of a number of Canadian companies. Member, board of governors, Ridley College and St. John's Convalescent Hospital.



**Thomas E. Nichols.** Elected director 1960.

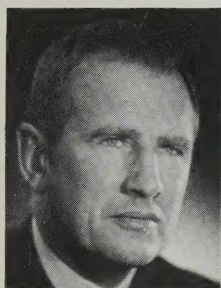
Born Winnipeg, 1907. BA (Mount Allison). Joined The Winnipeg Tribune 1928; The Vancouver Province 1930; The Hamilton Spectator 1934; publisher, The Hamilton Spectator 1955. Director, The Canadian Press; governor, Art Gallery of Hamilton.



**J. A. Daly.** Elected director 1961.

Born Toronto, 1913. Joined Hugh C. MacLean Publications 1941; president and managing director 1955; vice-chairman of the board of Southam Business Publications Limited 1969. Past president, The Canadian Business Press, Business Paper Editors Association, The Periodical Press Association of Canada.





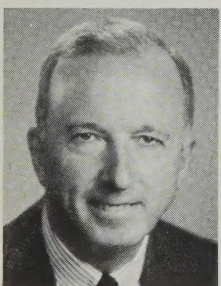
J. Jacques Pigott, P.Eng. Elected director 1962.

Born Detroit, Mich. 1916. BSc (Toronto). Joined Pigott Construction Company Limited in 1946 becoming executive vice-president of that company in 1956. Director of a number of Canadian companies.



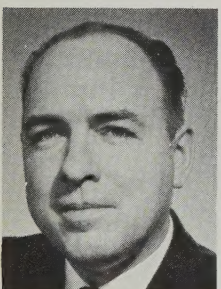
Ross Munro, OBE. Elected director 1968.

Born Ottawa, 1913. BA (Toronto). Staff writer Canadian Press 1936-1948, CP war correspondent overseas 1940-1945. Joined Southam Ottawa news bureau 1948; assistant to the publisher, The Vancouver Province 1951; editor 1955; assistant publisher and editor-in-chief 1957; publisher, The Winnipeg Tribune 1959. Publisher, The Canadian 1965. Vice-president and publisher, The Edmonton Journal 1968. Director, The Canadian Press.



Colin S. Glassco. Elected director 1970.

Born Hamilton, 1909. Joined Southam Printing Company Limited as vice-chairman and chief executive officer 1969. Previously with Appleford Division, Eddy Forest Products Ltd. as vice-president and general manager. Life governor, Trinity College School. Director of a number of Canadian companies.



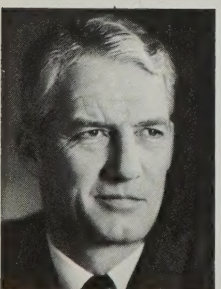
John F. Grainger.

Born North Bay, 1915. With mechanical departments, The North Bay Nugget and The Sudbury Star 1929-1938. Returned to The North Bay Nugget 1939; publisher 1941; president, North Bay Publishing Company Limited 1948; vice-president and publisher on acquisition by Southam Press Limited. Former member North Bay City Council.



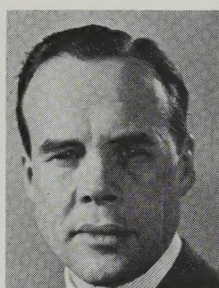
A. Ronald Williams.

Born Tredegar, Wales, 1913. Joined Vancouver Province as assistant publisher in 1959; publisher The Winnipeg Tribune 1965. Previously a reporter with Toronto Globe; reporter and later assistant city editor, Toronto Star; senior editor, Financial Post.



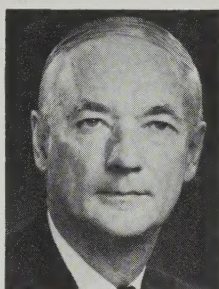
Peter O'Brian

Born Toronto, 1917. Graduate of RAF College, England, 1937. Served with RAF until 1959. W. H. Smith & Son (Canada) Ltd., 1960. Urwick, Currie Limited, 1963. Joined Southam Press Limited as assistant to the president 1965; vice-president, personnel 1967. Governor, Trinity College School.



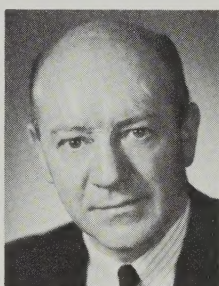
G. Hamilton Southam. Elected director 1964.

Born Ottawa, 1916. BA (Toronto). Joined The Times of London 1945; The Ottawa Citizen 1946. Joined Department of External Affairs 1948; Secretary of Legation, Stockholm, 1949-53; Chargé d'Affaires and later Ambassador, Warsaw, 1959-62. Coordinator, National Arts Centre, Ottawa 1963; director-general 1966.



Charles H. Peters. Elected director 1969.

Born Montreal 1907. BA (McGill). Joined The Gazette, Montreal 1929; editorial director 1943; executive vice-president 1951; president 1956. Continued as president and publisher when company acquired by Southam Press Limited in 1969. Past president, The Canadian Press, the Graduates Society of McGill University. Director, American Newspaper Publishers Association. Member, Board of Management of Montreal General Hospital.



Brian H. Shelley, CA.

Born Manchester, England, 1917. McDonald, Currie & Co. Toronto 1947, Brazilian Traction, Light & Power Company Limited, Sao Paulo, Brazil 1950. Joined the company in 1957 as assistant secretary-treasurer; appointed secretary-treasurer same year.



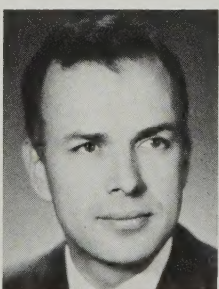
Frank G. Swanson.

Born Edmonton, 1917. BA (Alberta), MSc (Columbia). Joined The Edmonton Journal 1938. Southam London bureau 1945; Ottawa Citizen 1948; associate editor 1956, editor 1960; assistant publisher, The Calgary Herald 1961; publisher 1962. Director, Canadian Daily Newspaper Publishers Association, The Canadian Press. Associate director, Calgary Exhibition and Stampede.



John S. Ward.

Born Toronto, 1919. MacLaren Advertising Company Limited, 1946. Joined Toronto office of Southam Newspapers 1948; assistant advertising manager, The Edmonton Journal 1950; advertising director 1951; vice-president, marketing, head office, 1960. Director, Canadian Daily Newspaper Publishers Association; chairman, Canadian Advertising Advisory Board.



Michael A. Harrison.

Born Toronto, 1930. BAsC (Toronto), DBA (London School of Economics). CBC 1952-1965; Athlone Fellow 1956-1958; on loan to Glassco Commission 1961 and to Treasury Board 1965. Joined the company as vice-president, broadcasting, 1967; vice-president, tele-information 1970. Director, Patrons of Canadian Art.



Daily in the offices of our newspapers across Canada, skilled editors assemble news material for eleven different city dailies. Here are some of them at work. Every day the papers collectively "put to bed" over 450 pages; almost 150,000 pages per year.





From Southam News Services in Canada, the U.S.A. and Europe, news of important events is fed to all Southam newspapers. Correspondents in Ottawa, Quebec, Toronto, Washington, New York, London, Paris work from their home base and range far afield wherever news develops. Shown below is Charles Lynch, Chief of the Southam News Services at an Ottawa commission hearing.

Computers are speeding our entry into tomorrow's world. Electronic facilities are joining men in the development of increased production. Photo composing is now replacing older production techniques at a number of our papers.





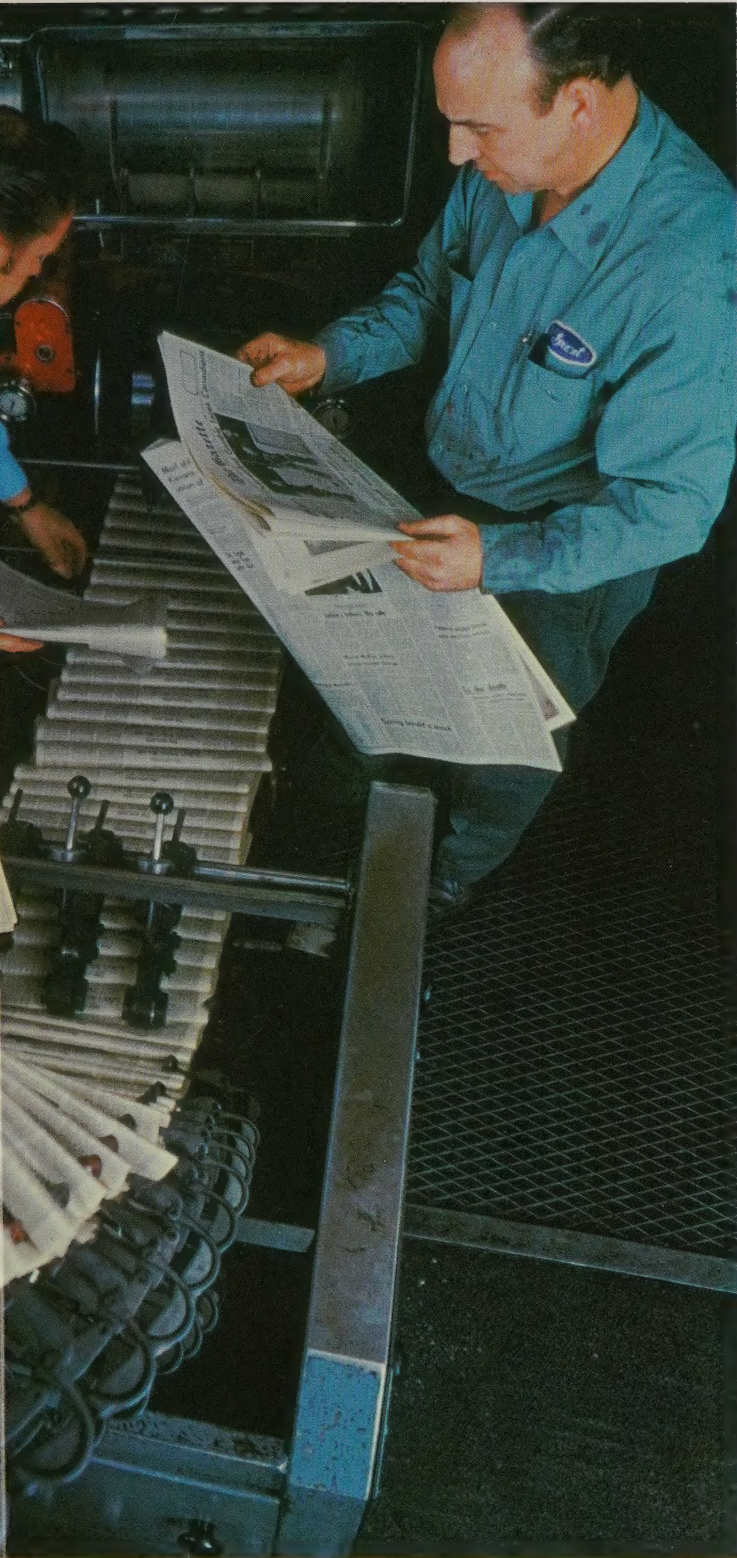
Type-setting machines can be operated by perforated tape in the modern newspaper composing room. The perforations have been punched into the tape so that each line of type comes out exactly the right length. Tapes can be punched locally or by teletype from thousands of miles away.

Newspaper presses located in our ten plants produce 742,000 copies each day. In the process they use 87,000 tons of Canadian-made newsprint yearly. Most of this total circulation rolls off these presses in less than four hours.





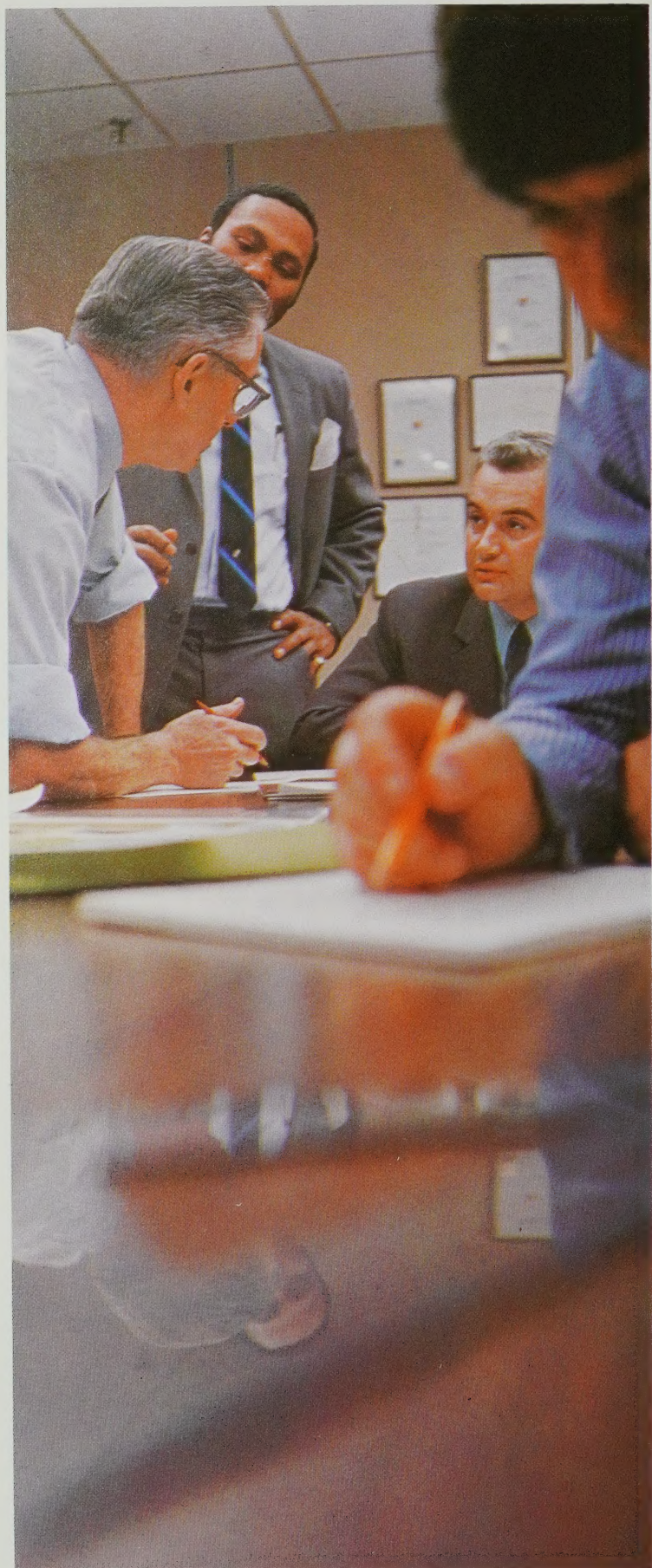
As newspapers push their way up conveyors, they are speeded to waiting carrier boys who are responsible for delivering the news every day to our subscribers. The total number of people who read Southam newspapers daily is estimated to be 2,175,000.





In the offices of any one of our four commercial printing plants clients, designers and technicians get together to decide on the preparation of graphic communications for commercial purposes. Specialized marketing services are also available.

Skilled craftsmen carefully oversee every production phase in the preparation of material for printing. Here, etchers examine four-color separation film prepared for process plates to be used on high-speed rotary presses or sheet fed offset equipment. Quality is built into every stage so that the end result may do justice to the aims of the customer.





Graphic communications are produced in our plants on all types of equipment — from delicate midgets to gigantic rotogravure presses. Machines match requirements as thousands of messages are put on paper for millions of readers. The press illustrated is capable of producing ten thousand forty-eight-page booklets per hour.





Readers of Southam prepared communications may receive their material at home or pick it up at newsstands. Southam publishes 52 periodical business magazines, while our printing plants produce countless other commercial items. Printing, originating in our plants, is sorted in Post Offices across the world for delivery to individual readers.





Your directors have pleasure in submitting the forty-third annual report of the company for the year ended December 31, 1969.

New records were established for revenue and profits; the former exceeding \$100,000,000 for the first time. The consolidation of acquisitions made during the year, principally The Montreal Gazette, has distorted the usual year to year comparisons. Although total operating revenues increased 33.5 percent, inflationary pressures on wages and material costs produced a 37.2 percent rise in operating expenses. The end result was a 13.3 percent increase in profits before capital losses.

Income from investments also increased to a new high of \$2,855,000. This included \$1,825,000 as our share of the earnings of companies in which Southam has a half interest. Dividends from broadcasting investments amounted to \$398,000 as compared with \$322,000 in 1968.

An amount of \$451,000 of capital losses was charged to income for the year. Part of this related to the re-organization of a magazine publishing company in which we still have a small investment. Part of it was because of the failure of Panex Incorporated, a company controlled by Southam Business Publications, to which reference is made later in this report.

During the year regular quarterly dividends of thirty cents and an extra dividend of fifteen cents were paid, bringing the total distribution to \$1.35 per share.

Following the precedent established with prior acquisitions an amount of \$5,493,000 has been charged against retained earnings, representing the excess of cost of properties acquired during the year over the value attributed to their net tangible assets.

An amount of \$3,349,000 was spent on additions and improvements to production facilities, compared with \$1,492,000 in 1968. The major items included land for a new plant for The Ottawa Citizen; additional press capacity for the Weston plant of Southam Printing; and photo-composition equipment for The Winnipeg Tribune.

The purchase of The Montreal Gazette and its printing company and The Owen Sound Sun-Times were referred to in the 1968 report. On May 1, the assets of The Citizen, a daily newspaper of 13,000 circulation published in Prince George, British Columbia were purchased for \$2,000,000.

The funds for these acquisitions and for the additions to plant and equipment were provided from operations, by bank credit and by the issue of 100,000 common shares (as partial consideration for The Gazette purchase). Working capital at year end was \$4,626,000, down \$557,000 on the year, but adequate for our requirements.

### Newspapers

The assimilation of The Gazette, The Owen Sound Sun-Times and The Prince George Citizen has proceeded smoothly and entirely satisfactorily. Due to their inclusion, circulation in December was 742,000 compared to 563,000 a year earlier. Real growth was 2.3 percent against an industry increase of 2.9 percent. This growth, coupled with higher subscription prices for some papers, produced a 9.1 percent increase in circulation revenues.

Advertising in the company's newspapers rose 7 percent including a welcome increase in the volume of national advertising which had been declining in 1968. Advertising revenue was up 11.7 percent reflecting certain rate increases. For comparison, data for the three new papers has been included in both years.

The company's policy has been to give its operating divisions a large measure of autonomy. Each paper has a team of capable newspapermen reinforced by a consulting staff at head office. However, editorial policies are established by the individual publishers, each of whom is responsive to local problems in the community he serves. The company's objective is continually to improve the quality of its publications.

Early in 1969, the Southam News Services were strengthened by the appointment of an executive editor in Ottawa and the opening of a bureau in Toronto. The services now have news bureaux in Ottawa, Quebec and Toronto in Canada and in London, Paris, New York and Washington. During the year under review, members of the staff visited thirty-seven countries in the course of their duties.

### Pacific Press Limited

After weeks of increasing harrassment during negotiations for new employment contracts, Pacific Press Limited (Vancouver) in which we have a fifty percent interest, notified the Vancouver Joint Council of Newspaper Unions on February 15 of this year that it was suspending publication of The Province and The Sun and that it considered all contracts terminated. Despite a Court order requiring the unions to live up to the terms of their contracts, some union members took physical action to sabotage publication of both newspapers.

At the time of writing, the dispute was still unsettled and Pacific Press has launched a civil action against the unions to recover damages.



### *The Canadian*

The Canadian is a weekly rotogravure magazine distributed to newspaper readers as a section of their weekend paper. It is published by Southstar Publishers Limited in which we are equal partners with Toronto Star Limited.

While it has continued to secure an increased share of the rotogravure magazine advertising market, this market has failed to grow in recent years.

After careful consideration, the directors of Southstar and of The Montreal Standard Publishing Company Limited, which publishes Weekend Magazine, decided to form a new company, MagnaMedia Limited, to sell advertising for both publications. This step was implemented in January, 1970, and has been received warmly by advertisers and advertising agencies.

The printing of The Canadian was transferred from the rotogravure plant of The Toronto Star to the Montreal plant of Standard. Substantial production economies will accrue.

### *The Southam Printing Company Limited*

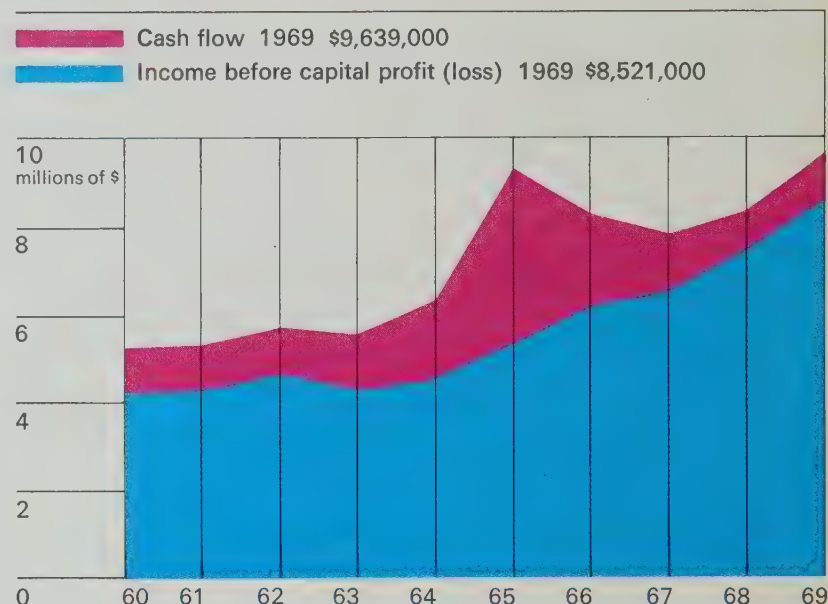
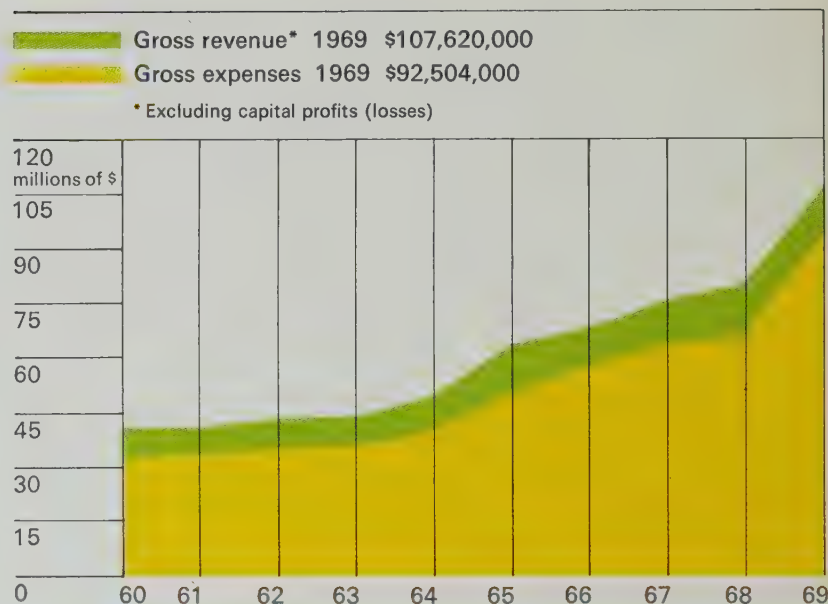
The problems of the printing subsidiary which were referred to in the 1968 report were well in hand by the end of 1969, although the results from major changes in personnel and administration will only be fully realized in 1970.

In September, Mr. J. D. Murray, president of Southam Printing and a director of Southam Press, requested early retirement after thirty-five years service. Mr. C. S. Glassco, a director of the printing company, was appointed vice-chairman and chief executive officer and Mr. E. M. Pritchard, who had been vice-president and managing director, was appointed president and chief operating officer.

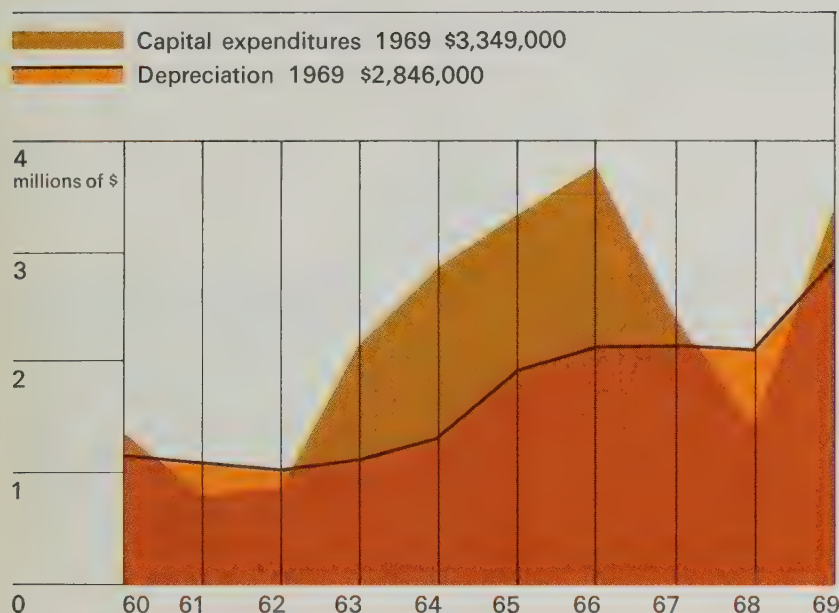
Mr. Murray has expressed his willingness to continue as a director of Southam Printing but asked to be replaced on the board of the parent company. Mr. Glassco was appointed a director of Southam Press in his place.

### *Southam Business Publications Limited*

Profits of the publications division were affected by the substantial increases in postal rates. These, with other rising costs, were somewhat larger than the growth during the year of the national advertising market.







The trade show division made further progress and an increased contribution to earnings. However, Panex Incorporated, a subsidiary organization supplying materials and services to trade shows and exhibitors, control of which the company had purchased in 1968, failed to develop satisfactorily and ceased operations at the year end. A capital investment of \$92,000 was written off and pre-tax operating losses of \$538,000 were charged against 1969 earnings.

Mr. J. A. Daly, who had been president and managing director of Southam Business Publications Limited since 1955, was appointed vice-chairman of that company. Mr. Aubrey Joel, who had been a vice-president since 1964, was appointed president and managing director to succeed him.

#### *Electronic Media*

Last year the company reported it had decided to consolidate where possible its broadcasting investments and that an agreement in principle had been reached to sell to Selkirk Holdings Limited, for Selkirk "A" shares and a small amount of cash, those investments in radio and television in which both this company and Selkirk held interests. Arrangements involving the entire Southam interest in Calgary Broadcasting Company Limited, Edmonton Broadcasting Company Limited, CKOY Limited (Ottawa), Greater Winnipeg Cablevision Limited and Niagara Television Limited, have now been completed subject to the approval of the Canadian Radio Television Commission. The Commission has already approved the first step which involved the exchange of both Southam's and Selkirk's interests in Wentworth Radio Broadcasting Company Limited (Hamilton), for Wentworth's twenty-five percent interest in Niagara. A cash payment of \$787,000 was made by Southam as part of this transaction.

The effect of all these transfers, if approved, will be to increase Southam's investment in Selkirk from 272,610 "A" shares to something over 834,000. Its only other direct investment in broadcast media will be its twenty-five percent interest in CFPL Broadcasting Company Limited (London).

#### *Community and Employee Relations*

Following established practice, the company supported many social and charitable activities in the communities in which it operates. Support was given through newspaper publicity and printing and by cash contributions of \$342,000. Of this amount \$36,000 went to the University of Toronto for the Southam Fellowships in Journalism. The Fellowships are designed to give men and women from all branches of Canadian journalism a chance to broaden their background knowledge in areas important to their careers. The principal objective is to encourage a general improvement in journalistic talent throughout the industry.



The contribution made to the company's progress by its loyal and efficient personnel can hardly be over-rated and it is fitting that this should be drawn to the shareholders' attention. Relations with most employees have continued on a satisfactory basis, but there were work stoppages during the year on several occasions at the Southam Printing plant in Weston; one by the International Printing Pressmen and Assistants union and several short sympathy strikes of from one to four days duration by several other unions. Wage settlements generally throughout the company have outrun productivity gains.

Southam Press and its subsidiaries now have 5,152 employees, an increase of 1,120 for the year. In 1969 the company's contribution to employee benefits was \$2,579,000 an increase for the year of \$793,000.

#### Senior Personnel

In April, Mr. Gordon N. Fisher, who joined the company in 1958 and who became a vice-president in 1965, was elected vice-president and managing director.

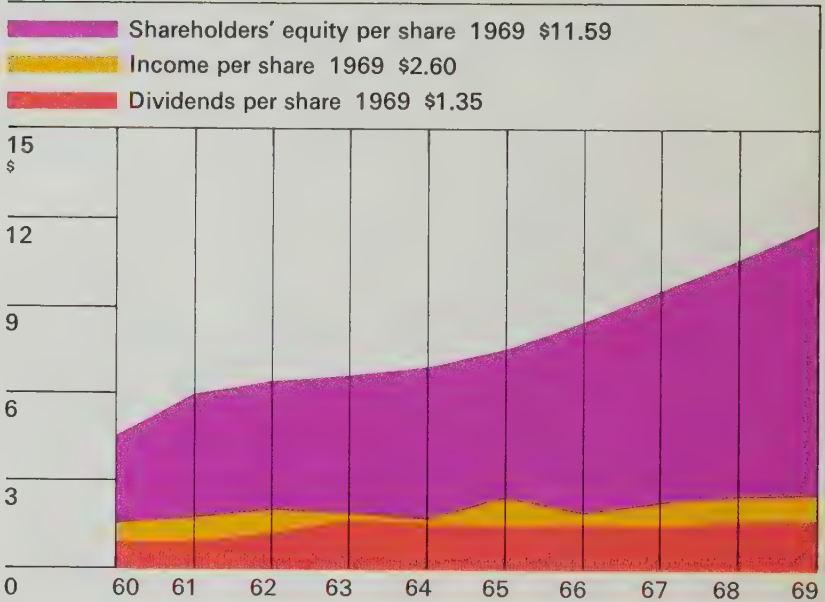
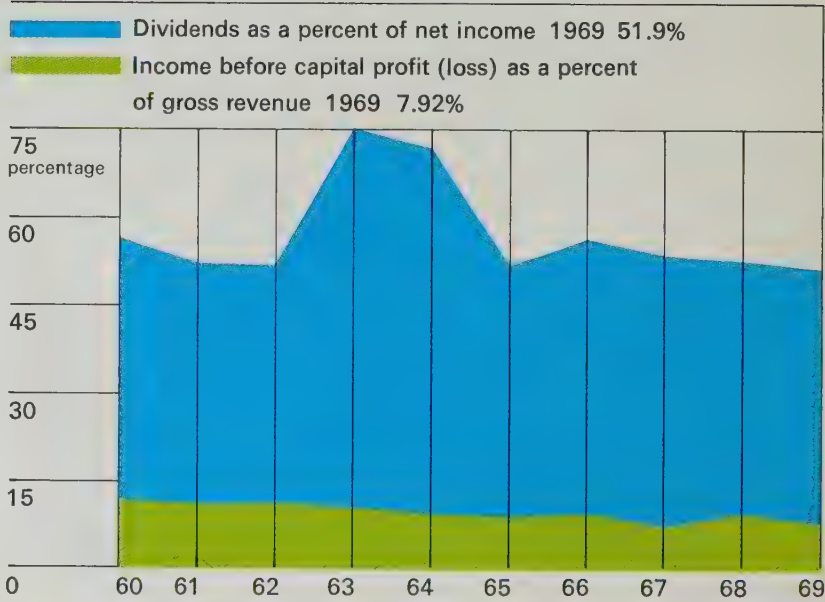
Mr. Michael A. Harrison, who joined the company in 1968 as vice-president, broadcasting, was appointed vice-president, tele-information, in January 1970. This change indicates the company's interest in developing its investment in the many new fields of information technology that will become part of the communications industry in the next decade.

#### Public Enquiries

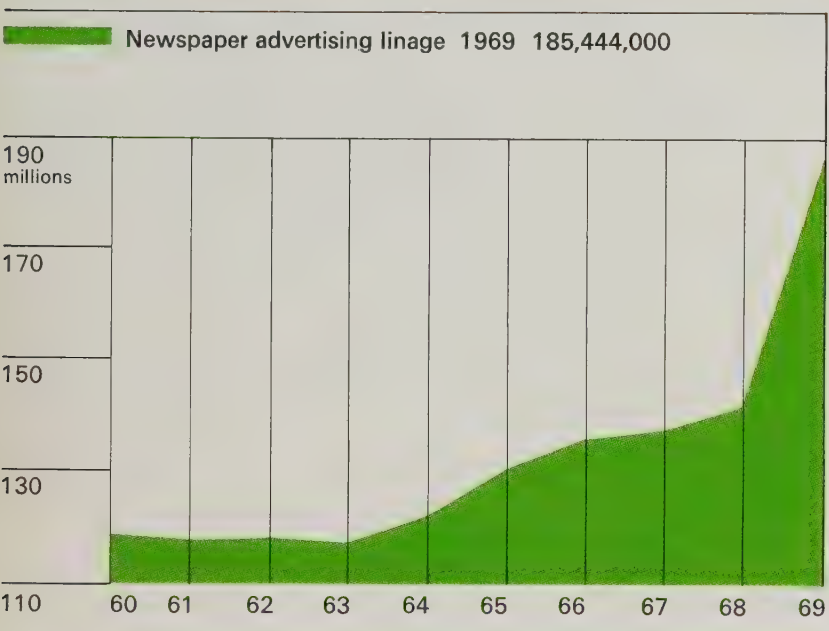
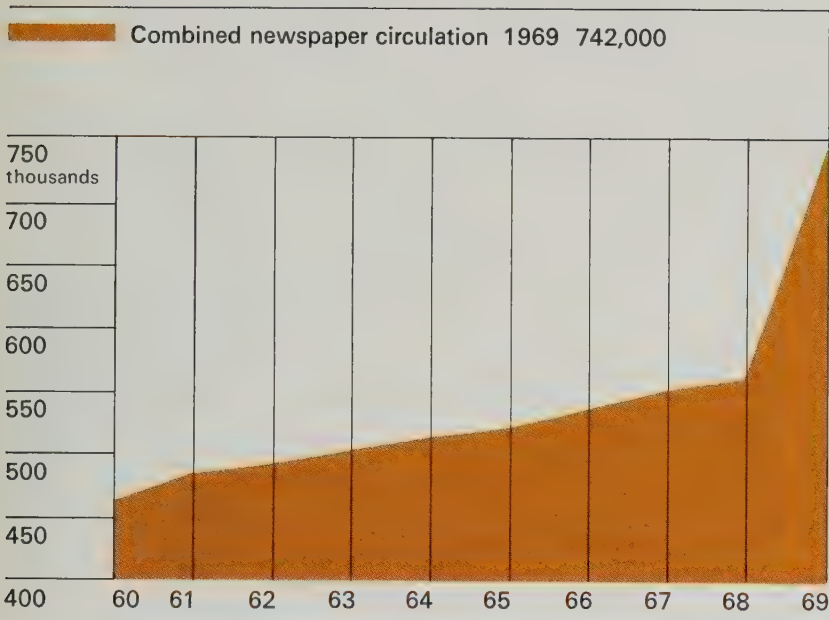
In last year's report the shareholders were told of the possibility of two enquiries into the ownership of Canadian mass communications media by the Senate of Canada and by the Quebec Legislature. Both have been held but neither has yet produced a report.

The Senate Committee involving all Canadian media has had greater impact. Officers of the company and some of its newspapers, of Southam Business Publications Limited and of Southstar Publishers Limited have testified before the Committee and most of our other newspapers have submitted briefs.

The Quebec Legislature Committee adjourned after hearing a number of witnesses from French language newspapers. To date The Gazette has not been involved.







*General Outlook*

This year the company again faces higher costs for newsprint, postal charges where our publications use normal mail facilities, and substantially increased wages. Every effort is being made to offset these costs by new techniques and improved efficiency. Freedom of action to pass on these increases to subscribers and advertisers through rate changes has been inhibited by the request for restraint by the Prices and Incomes Commission.

While 1970 has started reasonably well in terms of the general business pace our own results have been seriously affected by the work stoppages at Pacific Press. Government policies of high interest rates and tight money, designed to combat inflation, will have an increasing tendency to inhibit all business revenues. In addition the sharp reduction in wheat exports will be felt through the whole economy but particularly in the west. In common with many national companies we will do well to hold our position in the months ahead.

*Philip T. Fisher*  
Chairman

*Stclair Baylour*  
President

*Retirement Fund Statement*  
(not included in company accounts)  
(Dollars in thousands)

|                                                                |        |          |
|----------------------------------------------------------------|--------|----------|
| Balance January 1, 1969.....                                   |        | \$21,803 |
| Contributions during the year:                                 |        |          |
| Employee required.....                                         | \$ 759 |          |
| Company.....                                                   | 840    |          |
|                                                                | 1,599  |          |
| Employee voluntary extra.....                                  | 75     | 1,674    |
| Net income of fund.....                                        |        | 1,112    |
|                                                                |        | 24,589   |
| Payments for pensions and refunds on death or termination..... |        | 756      |
| Balance December 31, 1969.....                                 |        | \$23,833 |

Funds are administered by The Royal Trust Company, The Canada Trust Company or invested in government annuities.



## Auditors' report

Thorne,  
Gunn,  
Helliwell  
& Christenson

To the Shareholders of  
Southam Press Limited

We have examined the consolidated balance sheet of Southam Press Limited and subsidiary companies as at December 31, 1969 and the consolidated statements of income, retained earnings and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1969 and the results of their operations and the source and use of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Thorne, Gunn, Helliwell & Christenson*

Toronto, Canada  
February 9, 1970.

Chartered Accountants



**Consolidated statement of income**  
(Expressed in thousands, except per share amounts)

|                                                                             | Year ended December 31 | 1969            | % change | 1968            |
|-----------------------------------------------------------------------------|------------------------|-----------------|----------|-----------------|
| <i>Revenue from operations</i>                                              |                        |                 |          |                 |
| Newspapers . . . . .                                                        |                        | \$ 65,252       |          | \$47,444        |
| Printing . . . . .                                                          |                        | 29,742          |          | 21,816          |
| Trade publications and shows . . . . .                                      |                        | 9,771           |          | 9,227           |
|                                                                             |                        | <u>104,765</u>  | +33.5    | <u>78,487</u>   |
| <i>Costs and operating expenses</i>                                         |                        |                 |          |                 |
| Salaries, wages and employee benefits . . . . .                             |                        | 43,758          |          | 31,755          |
| Newsprint, paper and ink . . . . .                                          |                        | 21,537          |          | 15,893          |
| Other supplies and services . . . . .                                       |                        | 23,900          |          | 17,419          |
| Depreciation (note 2) . . . . .                                             |                        | 2,846           |          | 2,151           |
| Interest on long term debt . . . . .                                        |                        | 200             |          | 198             |
| Other interest . . . . .                                                    |                        | 263             |          | 28              |
|                                                                             |                        | <u>92,504</u>   | +37.2    | <u>67,444</u>   |
|                                                                             |                        | 12,261          |          | 11,043          |
| <i>Equity in net earnings of companies 50% owned (note 1) . . . . .</i>     |                        | <u>1,825</u>    |          | <u>1,687</u>    |
| <i>Income from other investments . . . . .</i>                              |                        | 1,030           |          | 931             |
|                                                                             |                        | 15,116          | +10.7    | 13,661          |
| <i>Income taxes (note 3) . . . . .</i>                                      |                        | <u>6,595</u>    | + 7.4    | <u>6,141</u>    |
| <i>Income before loss on investments and surplus fixed assets . . . . .</i> |                        | 8,521           | +13.3    | 7,520           |
| <i>Loss on investments and surplus fixed assets, net . . . . .</i>          |                        | <u>451</u>      |          | <u>—</u>        |
| Net income . . . . .                                                        |                        | <u>\$ 8,070</u> |          | <u>\$ 7,520</u> |
| <i>Per share</i>                                                            |                        |                 |          |                 |
| Income before loss on investments and surplus fixed assets . . . . .        |                        | <u>\$2.75</u>   |          | <u>\$2.50</u>   |
| Net income . . . . .                                                        |                        | <u>\$2.60</u>   |          | <u>\$2.50</u>   |

**Consolidated statement of retained earnings**  
(Expressed in thousands)

|                                                                                                                              | Year ended December 31 | 1969            | 1968            |
|------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------------|-----------------|
| Balance at beginning of year . . . . .                                                                                       |                        | \$29,533        | \$26,454        |
| Add net income for the year . . . . .                                                                                        |                        | 8,070           | 7,520           |
|                                                                                                                              |                        | <u>37,603</u>   | <u>33,974</u>   |
| <i>Deduct</i>                                                                                                                |                        |                 |                 |
| Dividends — \$1.35 per share                                                                                                 |                        |                 |                 |
| Paid in cash . . . . .                                                                                                       |                        | 4,185           | 3,600           |
| Paid in preferred shares which were redeemed for cash . . . . .                                                              |                        | —               | 450             |
| Excess of cost of subsidiary companies and newspapers acquired over values attributed to their net tangible assets . . . . . |                        | 5,493           | 391             |
|                                                                                                                              |                        | <u>9,678</u>    | <u>4,441</u>    |
| Balance at end of year . . . . .                                                                                             |                        | <u>\$27,925</u> | <u>\$29,533</u> |



**Consolidated Balance Sheet Southam Press Limited**  
(Incorporated under the laws of Canada) and subsidiary companies  
(Expressed in thousands)

|                                                                       | December 31     | 1969            | 1968  |
|-----------------------------------------------------------------------|-----------------|-----------------|-------|
| <b>Assets</b>                                                         |                 |                 |       |
| <i>Current Assets</i>                                                 |                 |                 |       |
| Cash . . . . .                                                        | \$ 632          | \$ 1,312        |       |
| Short term securities . . . . .                                       | —               | 1,547           |       |
| Accounts receivable (after allowance for doubtful accounts) . . . . . | 10,377          | 8,143           |       |
| Inventories (note 4) . . . . .                                        | 4,583           | 3,187           |       |
| Prepaid expenses . . . . .                                            | 577             | 392             |       |
| Special refundable tax . . . . .                                      | 32              | 182             |       |
|                                                                       | <u>16,201</u>   | <u>14,763</u>   |       |
| <i>Investments (note 5)</i>                                           |                 |                 |       |
| Companies 50% owned (note 1) . . . . .                                | 7,813           | 7,673           |       |
| Other investments at cost                                             |                 |                 |       |
| Newspaper and publishing companies . . . . .                          | 1,385           | 1,870           |       |
| Radio and television companies . . . . .                              | 3,665           | 2,607           |       |
| Mortgages receivable . . . . .                                        | 664             | 697             |       |
| Sundry investments . . . . .                                          | 225             | 132             |       |
|                                                                       | <u>13,752</u>   | <u>12,979</u>   |       |
| <i>Fixed Assets</i>                                                   |                 |                 |       |
| Land at not more than cost . . . . .                                  | 3,085           | 1,990           |       |
| Buildings at cost . . . . .                                           | \$18,968        |                 |       |
| Less accumulated depreciation . . . . .                               | 8,470           | 10,498          | 9,811 |
| Machinery and equipment at cost . . . . .                             | 37,367          |                 |       |
| Less accumulated depreciation . . . . .                               | 28,433          | 8,934           | 6,408 |
|                                                                       | <u>22,517</u>   | <u>18,209</u>   |       |
| <i>Advances</i>                                                       |                 |                 |       |
| Employees' stock purchase loan plan . . . . .                         | 370             | 183             |       |
|                                                                       | <u>\$52,840</u> | <u>\$46,134</u> |       |

**Notes to consolidated financial statements**

- The consolidated financial statements include the accounts of all subsidiary companies. Revenue and expenses of companies which became subsidiaries during the year are included from the dates of acquisition of control. The more substantial operating subsidiary companies are:  
The Southam Printing Company Limited  
Southam Business Publications Limited  
Gazette Printing Company (Limited)  
The company follows the practice of including in income its equity in net earnings of companies 50% owned and reflecting the investment in such companies at the value of their underlying net tangible assets.
- Depreciation has been calculated on the declining balance method at rates normally permitted for income tax purposes.
- The companies provide for income taxes on the basis of reported income. Deferred income taxes have been increased by \$231,000 as a result of the acquisition of subsidiaries during 1969 and reduced by \$591,000 (1968 — \$262,000) as a result of the difference between the amounts actually payable and those provided in the year.

|                                                                                                                                          | 1969               | 1968               |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| 4. Inventories consist of the following :                                                                                                |                    |                    |
| Newsprint and other newspaper supplies at the lower of cost or replacement cost                                                          | \$1,038,000        | \$ 700,000         |
| Printing company inventories (consisting principally of work in process and other supplies) at the lower of cost or net realizable value | 3,545,000          | 2,487,000          |
|                                                                                                                                          | <u>\$4,583,000</u> | <u>\$3,187,000</u> |

- Significant interests in common shares of other companies at December 31, 1969 are as follows :

| Companies                                | % Interest in common shares |
|------------------------------------------|-----------------------------|
| Newspaper and publishing companies       |                             |
| Pacific Press Limited                    | 50                          |
| Southstar Publishers Limited             | 50                          |
| C. O. Nickle Publications Co. Ltd.       | 50                          |
| Sun Publishing Company Limited (Brandon) | 49                          |
| Kitchener-Waterloo Record Limited        | 48                          |
| The London Free Press Holdings Limited   | 25                          |



|                                                               | December 31     | 1969            | 1968 |
|---------------------------------------------------------------|-----------------|-----------------|------|
| <b>Liabilities</b>                                            |                 |                 |      |
| <i>Current Liabilities</i>                                    |                 |                 |      |
| Bank advances . . . . .                                       | \$ 2,115        | \$ 715          |      |
| Accounts payable and accrued liabilities . . . . .            | 6,294           | 4,517           |      |
| Income and other taxes . . . . .                              | 1,690           | 3,155           |      |
| Deferred revenue — subscriptions and rentals . . . . .        | 1,326           | 1,006           |      |
| Payments on long term debt due within one year . . . . .      | 150             | 187             |      |
|                                                               | <b>11,575</b>   | <b>9,580</b>    |      |
| <i>Long Term Debt (non-current portion)</i>                   |                 |                 |      |
| Perpetual redeemable 5% debentures . . . . .                  | 2,248           | 2,421           |      |
| Long term debt of subsidiary companies (note 6) . . . . .     | 2,079           | 227             |      |
|                                                               | <b>4,327</b>    | <b>2,648</b>    |      |
| <i>Deferred Income Taxes (note 3)</i> . . . . .               | <b>1,013</b>    | <b>1,373</b>    |      |
| <b>Shareholders' Equity</b>                                   |                 |                 |      |
| Capital stock (note 7)                                        |                 |                 |      |
| Common shares without nominal or par value                    |                 |                 |      |
| Authorized — 4,000,000 shares                                 |                 |                 |      |
| Issued — 3,100,000 shares (1968 — 3,000,000 shares) . . . . . |                 |                 |      |
|                                                               | <b>8,000</b>    | <b>3,000</b>    |      |
| Retained earnings . . . . .                                   | <b>27,925</b>   | <b>29,533</b>   |      |
|                                                               | <b>35,925</b>   | <b>32,533</b>   |      |
| Approved by the Board of Directors                            |                 |                 |      |
| Philip S. Fisher, Director                                    |                 |                 |      |
| St. Clair Balfour, Director                                   |                 |                 |      |
|                                                               | <b>\$52,840</b> | <b>\$46,134</b> |      |

|                                          |    |
|------------------------------------------|----|
| Radio and television companies           |    |
| Calgary Broadcasting Company Limited     | 40 |
| Edmonton Broadcasting Company Limited    | 40 |
| CKOY Limited (Ottawa)                    | 38 |
| Niagara Television Limited (Hamilton)    | 35 |
| Selkirk Holdings Limited, A (non-voting) | 30 |
| Selkirk Holdings Limited, B (voting)     | 30 |
| CFPL Broadcasting Limited, B (voting)    | 25 |
| Greater Winnipeg Cablevision Limited     | 25 |
| Other companies                          |    |
| Trans Canada Expositions Limited         | 50 |
| Quality Records Limited                  | 11 |

Subject to the approval of the Canadian Radio-Television Commission, the company has agreed to sell to Selkirk Holdings Limited the shares of the other radio and television companies listed above (except CFPL) for non-voting Class A shares of Selkirk. Upon completion of this transaction, if approved, and of the issue by Selkirk in 1970 of further Class A shares, the company will continue to have approximately a 30% interest in the Class A shares of Selkirk.

6. Long term debt of subsidiary companies consists of the following:

|                                   | 1969               | 1968             |
|-----------------------------------|--------------------|------------------|
| Note payable to bank due 1971     | \$1,000,000        |                  |
| Unsecured 6% loan due 1971        | 69,000             | \$139,000        |
| First mortgage 6½% bonds due 1974 | 940,000            |                  |
| Secured 6¼% loan due 1974         | 70,000             | 88,000           |
|                                   | <b>\$2,079,000</b> | <b>\$227,000</b> |

7. During the year the company issued 100,000 shares at \$50 per share as partial consideration for the Gazette Printing Company (Limited).

8. Commitments for acquisition of fixed assets payable during 1970 and 1971 amounted to \$4,709,000 at December 31, 1969.

9. Remuneration paid to the company's directors in 1969, including amounts paid to them as officers or employees, amounted to \$469,000 (1968 — \$423,000).



# Consolidated statement of source and use of funds

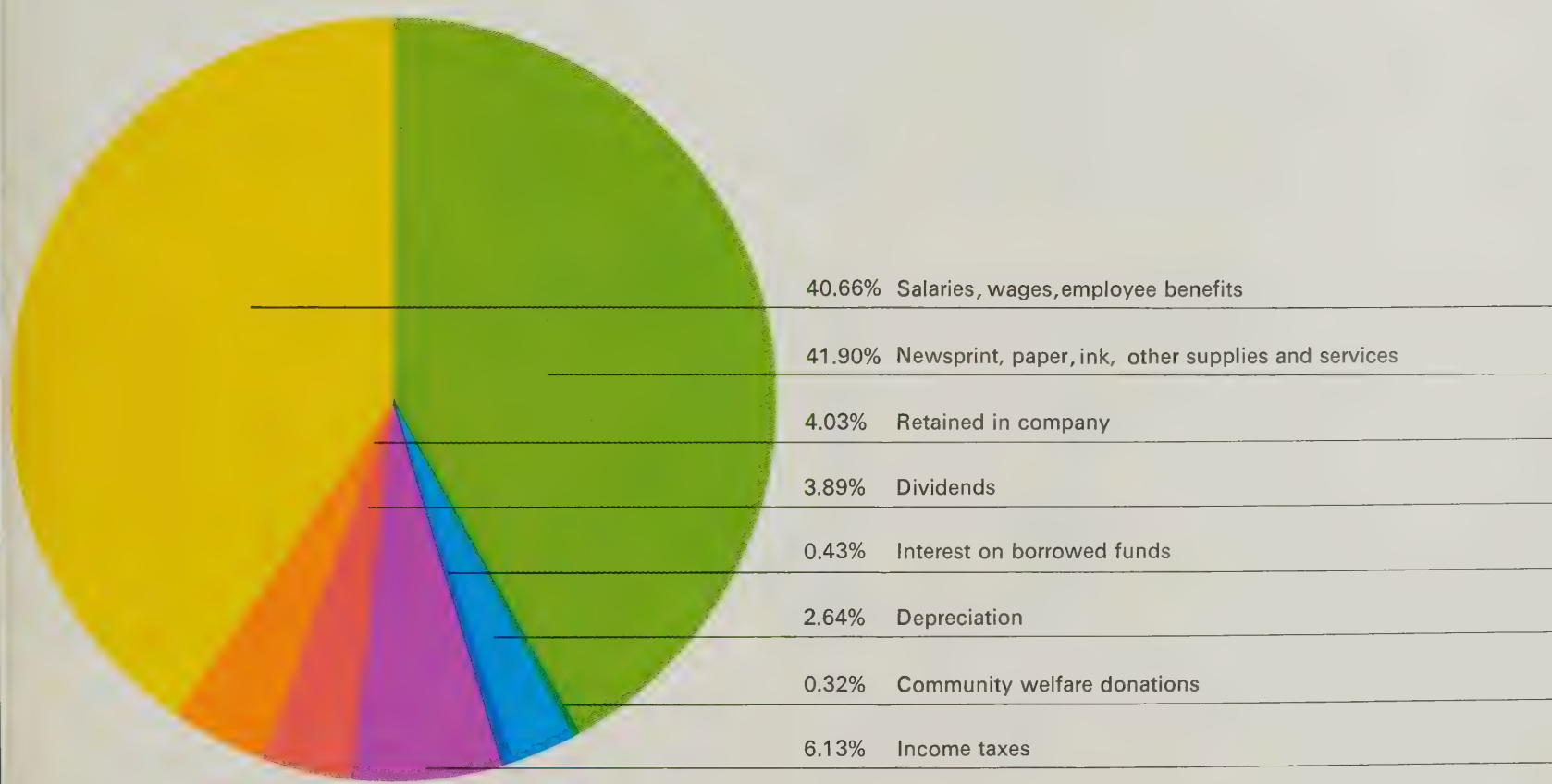
(Expressed in thousands)

|                                                                                     | Year ended December 31 | 1969    | 1968 |
|-------------------------------------------------------------------------------------|------------------------|---------|------|
| <i>Source of funds</i>                                                              |                        |         |      |
| From operations                                                                     |                        |         |      |
| Net income for the year . . . . .                                                   | \$ 8,070               | \$7,520 |      |
| Add (deduct) non-cash items                                                         |                        |         |      |
| Depreciation charged against income . . . . .                                       | 2,846                  | 2,151   |      |
| Loss on investments and surplus fixed assets . . . . .                              | 467                    | —       |      |
| Deferred income taxes . . . . .                                                     | (591)                  | (262)   |      |
| Increase in equity of companies 50% owned in excess of dividends received . . . . . | (1,153)                | (1,079) |      |
|                                                                                     | 9,639                  | 8,330   |      |
| Investments realized . . . . .                                                      | 1,088                  | 612     |      |
| Long term borrowing . . . . .                                                       | 1,000                  | —       |      |
| Common stock issued . . . . .                                                       | 5,000                  | —       |      |
| Special refundable tax . . . . .                                                    | —                      | 308     |      |
| Working capital of subsidiaries and newspapers acquired . . . . .                   | 1,914                  | —       |      |
|                                                                                     | 18,641                 | 9,250   |      |
| <i>Use of funds</i>                                                                 |                        |         |      |
| Dividends paid (including in 1968 stock dividends redeemed) . . . . .               | 4,185                  | 4,050   |      |
| Additions to fixed assets, net . . . . .                                            | 3,349                  | 1,492   |      |
| Long term debt repaid or currently payable . . . . .                                | 341                    | 1,206   |      |
| Investments acquired . . . . .                                                      | 1,208                  | 1,128   |      |
| Acquisition of subsidiaries and newspapers . . . . .                                | 9,928                  | 31      |      |
| Advances under employees' stock purchase loan plan, net . . . . .                   | 187                    | (10)    |      |
| Working capital deficiency of subsidiary acquired . . . . .                         | —                      | 450     |      |
|                                                                                     | 19,198                 | 8,347   |      |
| Increase (decrease) in working capital . . . . .                                    | (557)                  | 903     |      |
| Working capital at beginning of year . . . . .                                      | 5,183                  | 4,280   |      |
| Working capital at end of year . . . . .                                            | \$ 4,626               | \$5,183 |      |



**Disposition of revenue**  
(Expressed in thousands)

|                                       | 1969             |                | 1968     |         |
|---------------------------------------|------------------|----------------|----------|---------|
| Gross revenue . . . . .               | <b>\$107,620</b> | <b>100.00%</b> | \$81,105 | 100.00% |
| Salaries and wages . . . . .          | <b>41,179</b>    | <b>38.26</b>   | 29,969   | 36.95   |
| Employee benefits . . . . .           | <b>2,579</b>     | <b>2.40</b>    | 1,786    | 2.20    |
| Newsprint, paper and ink . . . . .    | <b>21,537</b>    | <b>20.01</b>   | 15,893   | 19.60   |
| Other supplies and services . . . . . | <b>23,558</b>    | <b>21.89</b>   | 17,091   | 21.07   |
| Community welfare donations . . . . . | <b>342</b>       | <b>.32</b>     | 328      | .40     |
| Depreciation . . . . .                | <b>2,846</b>     | <b>2.64</b>    | 2,151    | 2.65    |
| Interest on borrowed funds . . . . .  | <b>463</b>       | <b>.43</b>     | 226      | .28     |
| Income taxes . . . . .                | <b>6,595</b>     | <b>6.13</b>    | 6,141    | 7.57    |
| Dividends . . . . .                   | <b>4,185</b>     | <b>3.89</b>    | 4,050    | 5.00    |
| Retained in company . . . . .         | <b>4,336</b>     | <b>4.03</b>    | 3,470    | 4.28    |
|                                       | <b>\$107,620</b> | <b>100.00%</b> | \$81,105 | 100.00% |





# Ten-year comparative summary

(Expressed in thousands, except per share amounts)

|                                                                       | 1960      | 1961    | 1962    |
|-----------------------------------------------------------------------|-----------|---------|---------|
| <i>Income</i>                                                         |           |         |         |
| Revenue from operations . . . . .                                     | \$ 39,704 | 40,742  | 41,853  |
| Income from investments . . . . .                                     | \$ 851    | 947     | 1,125   |
| Costs and operating expenses . . . . .                                | \$ 31,298 | 32,300  | 33,506  |
| Interest on borrowed funds . . . . .                                  | \$ 334    | 296     | 258     |
| Depreciation . . . . .                                                | \$ 1,098  | 1,020   | 990     |
| Income taxes . . . . .                                                | \$ 3,737  | 3,815   | 3,823   |
| Income before capital profit (loss) . . . . .                         | \$ 4,088  | 4,258   | 4,401   |
| Income before capital profit (loss) as a percent of revenue . . . . . | % 10.08   | 10.21   | 10.24   |
| Capital profit (loss) . . . . .                                       | \$ 232    | 253     | 372     |
| Net income . . . . .                                                  | \$ 4,320  | 4,511   | 4,773   |
| Net income per share . . . . .                                        | \$ 1.44   | 1.50    | 1.59    |
| Dividends paid . . . . .                                              | \$ 2,400  | 2,400   | 2,550   |
| Dividends per share . . . . .                                         | \$ .80    | .80     | .85     |
| Percent income distributed . . . . .                                  | % 55.5    | 53.2    | 53.5    |
| <i>Balance Sheet</i>                                                  |           |         |         |
| Current assets . . . . .                                              | \$ 9,268  | 10,407  | 10,804  |
| Current liabilities . . . . .                                         | \$ 4,980  | 4,700   | 4,999   |
| Working capital . . . . .                                             | \$ 4,288  | 5,707   | 5,805   |
| Investments . . . . .                                                 | \$ 7,206  | 7,512   | 9,030   |
| Fixed assets — gross . . . . .                                        | \$ 23,504 | 23,525  | 22,332  |
| Accumulated depreciation . . . . .                                    | \$ 13,144 | 13,610  | 13,338  |
| Other assets . . . . .                                                | \$ —      | —       | —       |
| Long term debt . . . . .                                              | \$ 5,307  | 4,626   | 3,945   |
| Minority shareholders' equity . . . . .                               | \$ 195    | 46      | —       |
| Deferred income taxes . . . . .                                       | \$ —      | —       | —       |
| Capital stock . . . . .                                               | \$ 3,000  | 3,000   | 3,000   |
| Retained earnings . . . . .                                           | \$ 13,352 | 15,462  | 16,884  |
| Equity per common share . . . . .                                     | \$ 5.45   | 6.15    | 6.63    |
| <i>Statistics</i>                                                     |           |         |         |
| Advertising linage — newspapers (1,000's) . . . . .                   | 118,269   | 117,771 | 118,577 |
| Advertising pages — magazines (1,000's) . . . . .                     | —         | 9       | 9       |
| Newspaper pages (1,000's) . . . . .                                   | 89        | 87      | 89      |
| Magazine pages (1,000's) . . . . .                                    | —         | 17      | 18      |
| Daily newspaper circulation — December (1,000's) . . . . .            | 466       | 478     | 495     |
| Tons of newsprint used (1,000's) . . . . .                            | 46        | 46      | 49      |
| Employees . . . . .                                                   | 2,976     | 2,794   | 2,781   |
| Salaries and wages paid . . . . .                                     | \$ 13,561 | 14,081  | 14,439  |
| Employee benefits . . . . .                                           | \$ 876    | 848     | 975     |
| Improvements to plant . . . . .                                       | \$ 1,292  | 742     | 897     |
| Shareholders . . . . .                                                | 1,954     | 2,053   | 2,271   |
| Price range per common share . . . . .                                | \$ 24-18½ | 34-21   | 34½-25  |

\*Equity in net earnings of 50% owned companies included in income.



| 1963    | 1964    | 1965    | *1966   | *1967   | *1968   | *1969   |
|---------|---------|---------|---------|---------|---------|---------|
| 43,083  | 48,874  | 62,954  | 67,560  | 73,843  | 78,487  | 104,765 |
| 1,182   | 1,109   | 1,099   | 1,793   | 2,340   | 2,618   | 2,855   |
| 35,007  | 39,638  | 51,263  | 55,982  | 62,218  | 65,067  | 89,195  |
| 214     | 177     | 221     | 260     | 347     | 226     | 463     |
| 1,072   | 1,336   | 1,934   | 2,175   | 2,217   | 2,151   | 2,846   |
| 3,710   | 4,108   | 5,126   | 4,818   | 4,945   | 6,141   | 6,595   |
| 4,262   | 4,724   | 5,509   | 6,118   | 6,456   | 7,520   | 8,521   |
| 9.63    | 9.45    | 8.60    | 8.82    | 8.47    | 9.27    | 7.92    |
| 286     | —       | 1,337   | 218     | —       | —       | (451)   |
| 4,548   | 4,724   | 6,846   | 6,336   | 6,456   | 7,520   | 8,070   |
| 1.52    | 1.57    | 2.28    | 2.11    | 2.15    | 2.50    | 2.60    |
| 3,450   | 3,450   | 3,600   | 3,600   | 3,600   | 4,050   | 4,185   |
| 1.15    | 1.15    | 1.20    | 1.20    | 1.20    | 1.35    | 1.35    |
| 75.8    | 73.0    | 52.6    | 56.8    | 55.8    | 53.9    | 51.9    |
| 10,202  | 9,205   | 11,134  | 12,028  | 11,762  | 14,763  | 16,201  |
| 5,736   | 7,108   | 7,994   | 9,037   | 7,482   | 9,580   | 11,575  |
| 4,466   | 2,097   | 3,140   | 2,991   | 4,280   | 5,183   | 4,626   |
| 8,715   | 7,632   | 7,928   | 9,912   | 11,384  | 12,979  | 13,752  |
| 24,344  | 36,346  | 39,915  | 42,793  | 44,847  | 46,146  | 59,420  |
| 14,108  | 21,041  | 22,907  | 24,066  | 26,069  | 27,937  | 36,903  |
| —       | —       | 120     | 531     | 501     | 183     | 370     |
| 3,186   | 4,024   | 3,954   | 4,048   | 3,854   | 2,648   | 4,327   |
| —       | —       | —       | —       | —       | —       | —       |
| 135     | 642     | 1,077   | 1,515   | 1,635   | 1,373   | 1,013   |
| 3,000   | 3,000   | 3,000   | 3,000   | 3,000   | 3,000   | 8,000   |
| 17,096  | 17,368  | 20,165  | 23,598  | 26,454  | 29,533  | 27,925  |
| 6.70    | 6.79    | 7.72    | 8.86    | 9.82    | 10.84   | 11.59   |
| 117,210 | 122,528 | 130,667 | 135,391 | 137,107 | 142,136 | 185,444 |
| 10      | 15      | 19      | 19      | 19      | 17      | 17      |
| 88      | 91      | 96      | 105     | 107     | 110     | 146     |
| 21      | 30      | 38      | 39      | 38      | 34      | 31      |
| 506     | 513     | 521     | 531     | 550     | 563     | 742     |
| 50      | 53      | 57      | 58      | 62      | 65      | 87      |
| 2,813   | 3,649   | 3,777   | 3,903   | 4,042   | 4,032   | 5,152   |
| 15,023  | 17,135  | 22,864  | 24,959  | 28,256  | 29,969  | 41,179  |
| 1,009   | 1,091   | 1,298   | 1,293   | 1,667   | 1,786   | 2,579   |
| 2,314   | 2,999   | 3,398   | 3,889   | 2,268   | 1,492   | 3,349   |
| 2,429   | 2,499   | 2,673   | 2,714   | 2,662   | 2,626   | 2,855   |
| 36%-29  | 34-27   | 40-33   | 42-31   | 51-32   | 64-38¾  | 67½-55  |



## Directors and Officers

### *Southam Press Limited*

†Philip S. Fisher, SM, CBE, chairman  
Montreal, Quebec

†St. Clair Balfour, president

\*Gordon N. Fisher, vice-president and  
managing director

\*F. S. Auger, vice president and publisher  
*The Province, Vancouver*  
(published for Pacific Press Limited)

Michael Barkway, publisher and editor  
*Financial Times of Canada*

W. R. Dane, publisher  
*The Owen Sound Sun-Times*

J. F. Grainger, vice-president and publisher  
*The North Bay Nugget*

W. L. Griffith, publisher  
*The Prince George Citizen*

Michael A. Harrison, vice-president,  
tele-information

\*Ross Munro, OBE, vice-president and publisher  
*The Edmonton Journal*

I. C. MacDonald, publisher and editor  
*The Medicine Hat News*

†T. E. Nichols, vice-president and publisher  
*The Spectator, Hamilton*

Peter O'Brian, vice-president, personnel

\*C. H. Peters, president,  
Gazette Printing Company (Limited); publisher  
*The Gazette, Montreal*

Brian H. Shelley, CA, secretary-treasurer

†R. W. Southam, vice-president and publisher  
*The Ottawa Citizen*

†W. W. Southam, vice-president

F. G. Swanson, vice-president and publisher  
*The Calgary Herald*

John S. Ward, vice-president, marketing

A. R. Williams, vice-president and publisher  
*The Winnipeg Tribune*

†George L. Crawford, QC, Calgary, Alberta

\*James A. Daly, Don Mills, Ontario

\*Colin S. Glassco, Hamilton, Ontario

†B. B. Osler, QC, Toronto, Ontario

†J. Jacques Pigott, Toronto, Ontario

\*W. Culver Riley, OBE, Winnipeg, Manitoba

\*G. H. Southam, Ottawa, Ontario

\*Gordon T. Southam,  
Vancouver, British Columbia

\*Director

†Director and  
member of the Executive Committee

### *The Southam Printing Company Limited*

\*St. Clair Balfour, chairman of the board

\*Colin S. Glassco, vice-chairman of the board  
and chief executive officer

\*E. M. Pritchard, president and  
chief operating officer

\*Guy S. Fisher, vice-president,  
sales development and planning

R. J. O'Connell, vice-president and  
general manager, Specialty and  
Autographic Divisions

Frank Robins, vice-president and  
general manager, Southam Nicholson Division

Thomas J. Ryan, vice-president and  
general manager, Southam-Murray Division

D. G. Scott, FCA, secretary and treasurer

R. S. White, vice-president and  
general manager, Gazette Printing Division

\*A. Y. Eaton, Toronto, Ontario

\*Gordon N. Fisher, Toronto, Ontario

\*John D. Murray, Toronto, Ontario

\*B. B. Osler, QC, Toronto, Ontario

\*W. W. Southam, Toronto, Ontario

### *Southam Business Publications Limited*

\*St. Clair Balfour, chairman of the board

\*James A. Daly, vice-chairman of the board

\*Aubrey Joel, president and managing director  
Claude Beauchamp, vice-president

G. W. Funston, vice-president

M. J. Kostuch, vice-president

E. V. Manser, vice-president

J. E. Uberig, CA, RIA, vice-president,  
administration, secretary and treasurer

\*Gordon N. Fisher, Toronto, Ontario

\*B. B. Osler, QC, Toronto, Ontario

\*J. Jacques Pigott, Toronto, Ontario

\*W. W. Southam, Toronto, Ontario



**Head Office**

321 Bloor Street East, Toronto

**Newspapers**

The Gazette, *Montreal*  
The Ottawa Citizen  
The North Bay Nugget  
The Spectator, *Hamilton*  
The Owen Sound Sun-Times  
The Winnipeg Tribune  
The Medicine Hat News  
The Edmonton Journal  
The Calgary Herald  
The Prince George Citizen  
The Province, *Vancouver*  
(published for Pacific Press Limited)  
Financial Times of Canada, *Montreal*  
News & Chronicle, *Pointe Claire, Quebec*

**News bureaux**

Southam News Services  
*Ottawa, Quebec, Toronto, Washington,*  
*New York, London, Paris*

**Newspaper advertising offices**

Toronto, Montreal and representation in  
Vancouver and London, England

**Wholly owned subsidiaries**

The Southam Printing Company Limited  
*Montreal, Toronto, Vancouver*  
Murray Printing & Gravure Limited  
*Weston, Ontario*  
Autographic Business Forms Limited,  
*Montreal*  
Southam Business Publications Limited,  
*Don Mills, Ontario*  
Journal of Commerce Limited,  
*Vancouver*  
Grant Smedmor Limited,  
*Toronto*  
Age Publishing Company Limited,  
*Toronto*  
Owen Sound Sun-Times Limited,  
*Owen Sound, Ontario*  
Gazette Printing Company (Limited),  
*Montreal*  
Whitehold Investments Limited,  
*Montreal*  
Lakeshore News Limited,  
*Pointe Claire, Quebec*  
Panex Inc. (84% owned)

**Associated companies (50 percent owned)**

Pacific Press Limited,  
*Vancouver*  
Southstar Publishers Limited,  
*Toronto*  
C. O. Nickle Publications Company Limited,  
*Calgary*  
Trans Canada Expositions Limited,  
*Toronto*

**Business Publications**

Architecture-Concept  
British Columbia Lumberman  
Canadian Architect, The  
Canadian Chemical Processing  
Canadian Consulting Engineer  
Canadian Farm Equipment Dealer  
Canadian Forest Industries  
Canadian Metalworking Production  
Canadian Petroleum  
Canadian Plastics  
Canadian Transportation & Distribution  
Management  
Canadian Wood Products Industries  
Electrical Equipment News  
Electrical News & Engineering  
Electronics & Communications  
Engineering & Contract Record  
Equipement Industriel  
Executive  
Furniture & Furnishings  
Génie Construction  
Good Farming  
Heating, Plumbing, Air Conditioning  
Hospital Administration in Canada  
Industrial Products & Equipment  
Journal of Commerce  
L'Agriculteur Progressif  
Mining in Canada  
Office Administration  
Opérations Forestières  
Plomberie, Chauffage et Climatisation  
Shoe & Leather Journal  
Southam Building Guide  
Water & Pollution Control

CanaData  
Canadian Ad-Chart Services  
French Translation Services  
Mail Sales  
Marketing Communications  
Southam Building Reports  
Product Announcement Cards  
Research

**Trade and consumer shows**

operated or managed by the Southex Division  
of Southam Business Publications Limited and  
Grant Smedmor Limited, a subsidiary of  
Southam Business Publications Limited

**Southex Division**

Canadian Furniture Mart, *Toronto*  
Canadian Floorcoverings Market, *Toronto*  
Canadian Engineering Design Show, *Toronto*  
National Interior Design Show, *Toronto*  
National Mechanical Trades Show, *Toronto*  
Forest Industries Equipment Exhibition, *Ottawa*  
National Petroleum Show, *Calgary*  
Canadian Western Farm and Ranch Show,  
*Edmonton*  
Pacific Outdoor Sports and Vacation Show,  
*Vancouver*  
Vancouver Home Show, *Vancouver*  
Western Construction Materials and  
Equipment Show, *Vancouver*  
Regina Sports and Recreation Show, *Regina*  
\*Modern Living Show, *Montreal*  
\*Quebec Education Show, *Montreal*  
\*Ottawa Home Show, *Ottawa*

**Grant Smedmor Limited**

International Electronics Conference &  
Exhibition, *Toronto*  
National Home Show, *Toronto*  
Canadian National Business Show,  
*Toronto and Montreal*  
Canadian Data Processing Conference, *Toronto*  
International Apparel Production Show, *Montreal*

\*Produced by Trans Canada Expositions Limited,  
jointly owned by Southam Business Publications  
Limited and Maclean - Hunter Limited.





Over the years the company has established four basic policies which are intended to ensure the objectivity of its publications :

1. The company will have no financial interest in enterprises outside the communications field.
2. Officers of the company or its subsidiaries and senior publishing executives may not act as directors of other unrelated firms operated for profit unless the company has an interest in such firms to be served thereby.
3. The company's newspapers and magazines are operated under individual management and develop independent editorial policies. There is no "Southam" editorial policy.
4. Officers, editorial personnel and all other key employees of the company are expected to remain free from political and other outside activities when such activities might influence or appear to influence the editorial freedom or independence of any of the company's publications.



# SOUTHAM PRESS LIMITED

Interim  
report

6

months  
ended  
June 30, 1969

AR21









925-2881

## Interim Consolidated Statement

## of Income (not audited)

3 months  
ended  
June 30

## Revenue from operations

Newspapers.....  
 Printing.....  
 Trade publications and shows.....

Costs and operating expenses.....  
 Depreciation.....  
 Interest on borrowed funds.....

Equity in net earnings of  
 companies 50% owned.....  
 Income from other investments.....

Income taxes (estimated).....  
 Net income.....

Net income—per share.....  
 (1969—3,100,000 shares)  
 (1968—3,000,000 shares)  
 Dividends paid.....  
 Dividends paid—per share.....

| 1969         | % Change | 1968         |
|--------------|----------|--------------|
| \$17,315,000 |          | \$12,313,000 |
| 7,936,000    |          | 6,009,000    |
| 2,785,000    |          | 2,453,000    |
| 28,036,000   | +35.0    | 20,775,000   |
| 22,885,000   |          | 16,420,000   |
| 769,000      |          | 555,000      |
| 90,000       |          | 51,000       |
| 23,744,000   | +39.5    | 17,026,000   |
| 4,292,000    | +14.5    | 3,749,000    |
| 511,000      |          | 490,000      |
| 210,000      |          | 198,000      |
| 5,013,000    | +13.0    | 4,437,000    |
| 2,358,000    | +15.0    | 2,051,000    |
| 2,655,000    | +11.3    | 2,386,000    |
| \$ .86       |          | \$ .79       |
| \$ 930,000   |          | \$ 900,000   |
| \$ .30       |          | \$ .30       |

6 months  
ended  
June 30

## Revenue from operations

Newspapers.....  
 Printing.....  
 Trade publications and shows.....

Costs and operating expenses.....  
 Depreciation.....  
 Interest on borrowed funds.....

Equity in net earnings of  
 companies 50% owned.....  
 Income from other investments.....

Income taxes (estimated).....  
 Net income.....

Net income—per share.....  
 (1969—3,100,000 shares)  
 (1968—3,000,000 shares)  
 Dividends paid.....  
 Dividends paid—per share.....

| 1969         | % Change | 1968         |
|--------------|----------|--------------|
| \$32,070,000 |          | \$23,035,000 |
| 14,781,000   |          | 10,957,000   |
| 5,495,000    |          | 4,702,000    |
| 52,346,000   | +35.3    | 38,694,000   |
| 43,563,000   |          | 31,536,000   |
| 1,475,000    |          | 1,109,000    |
| 139,000      |          | 108,000      |
| 45,177,000   | +37.9    | 32,753,000   |
| 7,169,000    | +20.7    | 5,941,000    |
| 902,000      |          | 784,000      |
| 386,000      |          | 443,000      |
| 8,457,000    | +18.0    | 7,168,000    |
| 3,913,000    | +21.3    | 3,226,000    |
| 4,544,000    | +15.3    | 3,942,000    |
| \$ 1.47      |          | \$ 1.31      |
| \$ 1,860,000 |          | \$ 1,800,000 |
| \$ .60       |          | \$ .60       |



## Statement of Source and Use of Funds

**6 months**  
ended  
June 30

|                             | 1969                | 1968                |
|-----------------------------|---------------------|---------------------|
| <b>SOURCE OF FUNDS</b>      |                     |                     |
| Funds derived from          |                     |                     |
| operations.....             | \$ 5,314,000        | \$ 4,614,000        |
| Investments realized.....   | 669,000             | 15,000              |
| Common stock issued.....    | 5,000,000           | —                   |
| Working capital of          |                     |                     |
| subsidiaries acquired....   | 1,611,000           | —                   |
|                             | <u>\$12,594,000</u> | <u>\$ 4,629,000</u> |
| <b>USE OF FUNDS</b>         |                     |                     |
| Dividends paid.....         | \$ 1,860,000        | \$ 1,800,000        |
| Additions to fixed assets,  |                     |                     |
| net.....                    | 1,412,000           | 462,000             |
| Investments acquired.....   | 266,000             | 828,000             |
| Long term debt repaid or    |                     |                     |
| currently payable.....      | 231,000             | 1,009,000           |
| Acquisition of subsidiaries | 9,808,000           | —                   |
| Other minor items.....      | (17,000)            | 65,000              |
|                             | <u>\$13,560,000</u> | <u>\$ 4,164,000</u> |
| Decrease in working capital | <u>\$ (966,000)</u> | <u>\$ 465,000</u>   |

## SOUTHAM PRESS LIMITED

### Daily Newspapers

The Spectator, Hamilton

The Ottawa Citizen

The Calgary Herald

The Edmonton Journal

The Winnipeg Tribune

The Province,\* Vancouver

(\*Published for Pacific Press Limited)

The Medicine Hat News

The North Bay Nugget

The Gazette, Montreal

The Owen Sound Sun-Times

The Citizen, Prince George

### Business Newspapers

Financial Times of Canada, Montreal

Journal of Commerce, Vancouver

### Trade Publications and Shows

Southam Business Publications Limited

Don Mills, Ontario

### Printing

Southam•Murray, Weston, Ontario

Southam-Autographic, Montreal

Gazette Printing Company (Limited),  
Montreal

The Nicholson Printing Company,  
Vancouver